

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mark Jin, also known as Zhongda Jin, individually, and FJ Technology Service, Inc., also known as FJ Technology 1895 Dobbin Drive, Suite B San Jose, California 95133

Attention: Mark Jin President

Dear Mr. Jin:

The Office of Export Enforcement. Bureau of Export Administration, United States Department of Commerce (BXA), hereby charges that, as described below, Mark Jin. also known as Zhongda Jin. individually, and FJ Technology Service, Inc., also known as FJ Technology (hereinafter collectively referred to as Jin) has violated the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2000)) (the Regulations),' issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 Supp. 2000 and Pub. L. No. 106-508, November 13, 2000)) (the Act).' During the relevant' time period, Mark Jin was President and sole shareholder of FJ Technology.

The alleged violations occurred in 1996, 1997, 1998. 1999 and 2000. The Regulations governing the violations at issue are found in the 1996. 1997, 1998. 1999. and 2000 versions of the Code of Federal Regulations (15 C.F.R. Parts 768-799 (1996). as amended (61 Fed. Reg. 12714. March 25, 1996) (hereinafter "the former Regulations")), and 1.5 C.F.R. Parts 768-799 (1997, 1998, 1999 and 2000)). The March 25, 1996 Federal Register publication redesignated, but did not republish, the then-existing Regulations as 15 C.F.R. Parts 768A-799A. As an interim measure that was part of the transition to newly restructured and reorganized Regulations, the March 25, 1996 Federal Register publication also restructured and reorganized the Regulations, designating them as an interim rule at 15 C.F.R. Parts 730-774, effective April 24, 1996. The former Regulations and the Regulations define the various violations that BXA alleges occurred. The Regulations establish the procedures that apply to this matter.

During the time of the Act's lapse (August 20. 1994 through November 12. 2000), the President, through Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), which had been extended by successive Presidential Notices, the most recent being that of August 3, 2000 (65 Fed. Reg. 48347, August 8, 2000), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 2000)).

Facts constituting violations:

Charoe 1

As is described in greater detail in Schedule A, which is enclosed herewith and incorporated herein by reference, on or about March 15. 1996. Jin exported phosphine and arsine from the United States to the People's Republic of China without obtaining the validated export license required by Section 77?,1(b) of the former Regulations. BXA alleges that, by exporting from the United States commodities contrary to the provisions of the Act or any regulation, order, or license issued thereunder. Jin violated Section 787.6 of the former Regulations.

Charge 2

In connection with the export referenced in Charge 1 above, Jin knew or had reason to know that the export of phosphine and arsine to the People's Republic or' China required a validated export license. BXA alleges that, by selling or transferring commodities exported or to be exported from the United States with knowledge or reason to know that a violation of the Act or any regulation, order or license issued thereunder has occurred, was about to occur, or was intended to occur. Jin violated Section 787.4 of the former Regulations.

Charges 3-6

As is described in greater detail in Schedule B, which is enclosed herewith and incorporated herein by reference, on four separate occasions between on or about May 14, 1996 and June 25, 1996. Jin exported phosphine and arsine from the United States to the People's Republic of China without obtaining the validated export license required by Section 772A.1(b) of the former Regulations. BXA alleges that, by exporting commodities from the United States contrary to the provisions of the Act or any regulation, order, or license issued thereunder. Jin committed four violations of Section 787A.6 of the former Regulations.

Charges 7-10

In connection with the exports referenced Charges 3-6 above. Jin knew or had reason to know that the export from the United States of phosphine and arsine to the People's Republic of China required validated export licenses. BXA alleges that, by selling or transferring commodities exported or to be exported from the United States with knowledge or reason to know that a violation of the Act or any regulation, order or license issued thereunder has occurred, was about to occur, or was intended to occur. Jin committed four violations of Section 787A.4 of the former Regulations.

Charges 11-22

As is described in greater detail in Schedule C, which is enclosed herewith and incorporated herein by reference, on 12 separate occasions between on or about June 6, 1997, and on or about January 16, 2000. Jin exported phosphine, arsine, trimethylgallium, thimethylaluminum, and trimethylindium from the United States to the People's Republic of China without obtaining export licenses required by Section 742.4 of the Regulations. BXA alleges that, by engaging in conduct prohibited by or contrary to the Act, Regulations, or any order, license or authorization issued thereunder, Jin committed 12 violations of Section 764.2(a) of the Regulations.

Charges 23-34

In connection with the exports referenced Charges 1 1-22 above. Jin knew or had reason to know that the export from the United States of phosphine, arsine, trimethylgallium, rhimethylaluminum, and trimethylindium co the People's Republic of China required export licenses. BXX alleges that, by selling or transferring commodities exported or to be exported from the United States with knowledge that a violation of the Act, or the Regulations, or any order, license or authorization issued thereunder, has occurred, was about to occur, or was intended to occur, Jin committed 12 violations of Section 764.2(e) of the Regulations.

In summary, BXA alleges that Jin committed one violation of Section 787.4, one violation of Section 787.6. four violations of Section 787A.4, and four violations of Section 757X.6 of the former Regulations, and 12 violations of Section 764.2(a) and 12 violations of Section 764.2(e) of the Regulations, for a total of 3-C violations.

Accordingly, Jin is hereby notified that an administrative proceeding is instituted against him pursuant to Section 13(c) of the Act and Part 766 of the Regulations for the purpose of obtaining an order imposing administrative sanctions, including any or all of the following:

The maximum civil penalty allowed by law of \$10,000 per violation (see Section 764.3(a)(1) of the Regulations³;

Denial of export privileges (see Section 764.3(a)(2) of the Regulations); and/or

Exclusion from practice before BXA (see Section 764.3(a)(3) of the Regulations)

Copies of relevant Parts of the Regulations are enclosed.

The maximum civil penalty for any violation committed after October 23, 1996 is \$11,000 per violation. See 15 C.F.R. § 6.4(a)(3) (2000).

If Jin fails to answer the charges contained in this letter within 30 days after being served with notice of issuance of this letter as provided in Section 766.6 of the Regulations, that failure will be treated as a default under Section 766.7.

Jin is further notified that he is entitled to an agency hearing on the record as provided by Section 13(c) of the Act and Section 766.6 of the Regulations. if a written demand for one is filed with his answer, to be represented by counsel. and to seek a consent settlement.

Pursuant to an Interagency Agreement between BXA and the U.S. Coast Guard. the U.S. Coast Guard is providing administrative law judge services. to the extent that such services are required under the Regulations. in connection with the matters set forth in this letter. Accordingly, Jin's answer should be tiled with the U.S. Coast Guard ALJ Docketing Center. 40 S. Gay Street, Baltimore, Maryland 21202-4022, in accordance with the instructions in Section 766.5(a) of the Regulations. In addition, a copy of Jin's answer should be served on BXA at the address set forth in Section 766.5(b), adding "ATTENTION: Mi-Yong Kim. Esq." below the address. Ms. Kim may be contacted by telephone at (202) 482-53 11.

Sincerely.

Mark D. Meneree

Director

Office of Export Enforcement

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Enclosures

SCHEDULE A

Schedule of Violations Mark Jin and FJ Technology Schedule A

Charge	Date (on or about)	Commodity	ECCN	Invoice No.	Bill of Lading No.
1,2	3/15/96	Fhosphine and	3C004	ZKY96030 1	LAXI-96077-3

SCHEDULE B

Schedule of Violations Mark Jin and FJ Technology Schedule B

Charge	Date (on or about)	Commodity	ECCN	Invoice No.	Bill of Lading No.
3,7	5/14/96	Phosphine and Arsine	3C004	YJSH-GAS9601	SFSH-96822-4
4.8	6/25/96	Phosphine and Arsine	3C004	ZKY-G4-2-1 ZKY-G-1-2-3	GWSF6181
5. 9	6/25/96	Phosphine	3C004	TH96-G01	GWSF6178
6, 10	6/25/96	Phosphine	3C004	WHAN-G9601	G WSF6 179

SCHEDULE C.

Schedule of Violations Mark Jin and FJ Technology Schedule C

Charge No.	Date (on or about)	Commodity	ECCN	Invoice No.	Bill of Lading No.
11, 23	6/6/97	Arsine	3C004	ZKY-GAS-9702	GWSF7080B
12.24	6/6/97	Phosphine	3C004	WF-GAS-9701	GWSF7080C
13.25	6/6/97	Phosphine and Arsine	3C004	97ZKY-G01	GWSF7080A
		Trimethylgallium and Trimethylaluminum	3C003		
1-F. '6	11/22/97	Phosphine and Arsine	3C004	ZKY-G-971122 ZKY-G-971122-3	80333200
1527	11/25/97	Trimethylgallium. Trimethylaluminum and Trimethylindium	3C003	ZKY-TM-9711 KY-G-971122-2	SFO/XIG/00790
16.28	4/25/98	Phosphine	3C004	ZKY-G-9804	83008902A
1:. 29	4/25/98	Phosphine and Arsine	3C004	JYG980424	83008902B
18.30	4/29/98	Trimethylgallium and Trimethy-iindium	3C003	JYG-980424	SFO/XIG/00831B
19.31	4/29/98	Trimethylgallium and Trimethylindium	3C003	ZKY-G9804	SFO/XIG/00831A
30.32	2/16/99	Phosphine and Arsine	3C004	NEDI-990210	LASH-99851-9
21.33	10/26/99	Trimethylgallium and Trimethylindium	3C003	GWTT38468	LAX991587SHA
22.34	11'16100	Phosphine and Arsine	3C004	OSIIEG9909 17	LGB3 13277

UNITED STATES DEPARTMENT OF COMMERCE BUREAU OF EXPORT ADMINISTRATION WASHINGTON, D.C. 20230

In the Matter of:)
)
MARK JIN, ALSO KNOWN AS ZHONGDA JIN)
INDIVIDUALLY AND)
FJ TECHNOLOGY) Docket No. 01-BXA-03
1895 Dobbin Drive)
Suite B)
San Jose, California 95 133,)
)
Resnondent)

RECOMMENDED DECISION AND ORDER

On February 28, 2001, the Office of Export Enforcement, Bureau of Export Administration, United States Department of Commerce (hereinafter "BXA"), issued a charging letter initiating this administrative proceeding against Mark Jin, also known as Zhongda Jin, individually, and FJ Technology Service, Inc., also known as FJ Technology (hereinafter collectively referred to as Jin). The charging letter alleged that Jin committed 34 violations of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2001)) (the Regulations),' issued under the Export Administration Act of 1979, as amended (50

¹ The alleged violations occurred in 1996, 1997. 1998, 1999 and 2000. The Regulations governing the violations at issue are found in the 1996, 1997, **1998**, 1999, and 2000 versions of the Code of Federal Regulations (15 C .F.R. Parts 768-799 **(1996)**, as amended (61 Fed.

Reg. 12714, March 25, **1996**) (hereinafter "the former Regulations")), and 15 C.F.R. Parts 768-799 (1997, 1998, 1999 and 2000)). The March 25, 1996 Federal Register publication redesignated, but did not republish, the then-existing Regulations as 15 C.F.R. Parts 768A-799A. As an interim measure that was part of the transition to newly restructured and reorganized Regulations, the March 25, 1996 Federal Register publication also restructured and reorganized the Regulations, designating them as an interim rule at 15 C.F.R. Parts 730-774, effective April 24, **1996.** The former Regulations and the Regulations define the various

U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 2000)) (the Act).*

Specifically, the charging letter alleged that on or about March 15, 1996, Jin exported phosphine and arsine from the United States to the People's Republic of China without obtaining the validated export license required by Section 772.1 (b) of the former Regulations. BXA alleged that, by exporting from the United States commodities contrary to the provisions of the Act or any regulations, order or license issued thereunder, Jin violated 787.6 of the Regulations. The charging letter also alleged that in connection with the export made on or about March 15, 1996, Jin knew or had reason to know that the export of phosphine and arsine to the People's Republic of China required a validated export license. BXA alleged that, by selling or transferring commodities exported or to be exported from the United States with knowledge or reason to know that a violation of the Act or any regulation, order or license issued thereunder has occurred, was about to occur, or was intended to occur, Jin violated Section 787.4 of the former Regulations.

Further, the charging letter alleged that on four separate occasions between on or about May 14, 1996, and on or about June 25, 1996, Jin exported phosphine and arsine from the United States to the People's Republic of China without obtaining the validated export license required by Section 772A. I(b) of the former Regulations. BXA alleged that, by exporting

violations that BXA alleges occurred. The Regulations establish the procedures that apply to this matter.

² The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 9 17 (1995)), which had been extended by successive Presidential Notices, the most recent being that of August 3, 2000 (65 Fed. *Reg.* 48347, August 8, 2000), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 2000)) until November 13, 2000 when the Act was reauthorized. See Pub. L. No. 106-508.

commodities from the United States contrary to the provisions of the Act or any regulation, order, or license issued thereunder, Jin committed four violations of Section 787A.6 of the former Regulations. The charging letter also alleged that in connection with the exports made between on or about May 14, 1996, and on or about June 25, 1996, **Jin** knew or had reason to know that the export from the United States of phosphine and arsine to the People's Republic of China required validated export licenses. BXA alleged that, by selling or transferring commodities exported or to be exported from the United States with knowledge or reason to know that a violation of the Act or any regulation, order or license issued thereunder has occurred, was about to occur, or was intended to occur, Jin committed four violations of Section 787A.4 of the former Regulations.

In addition, the charging letter alleged that on 12 separate occasions between on or about June 6, 1997, and on or about January 16, 2000, Jin exported phosphine, arsine, trimethylgallium, thimethylaluminum, and trimethylindium from the United States to the People's Republic of China without obtaining the export licenses required by Section 742.4 of the Regulations. BXA alleged that, by engaging in conduct prohibited by or contrary to the Act, Regulations, or any order, license or authorization issued thereunder, Jin committed 12 violations of Section 764.2(a) of the Regulations. The charging letter also alleged that in connection with the exports made between on or about June 6, 1997, and on or about January 16, 2000, Jin knew or had reason to know that the export from the United States of phosphine, arsine, trimethylgallium, thimethylaluminum, and trimethylindium to the People's Republic of China required export licenses. BXA alleged that, by selling or transferring commodities

exported or to be exported from the United States with knowledge that a violation of the Act, or the Regulations, or any order, license or authorization issued thereunder, has occurred, was about to occur, or was intended to occur, Jin committed 12 violations of Section 764.2(e) of the Regulations.

Section 766.3(b)(1) of the Regulations provides that notice of issuance of a charging letter shall be served on a respondent by mailing a copy by registered or certified mail addressed to the respondent at respondent's last known address. In accordance with that section, on February 28, 2001, BXA sent to Jin, at his address in San Jose, California, notice that it had issued a charging letter against him. BXA has established that delivery of the notice was made at that address on March 5, 2001.

To date, Jin has not filed an answer to the charging letter. Accordingly, because Jin has not answered the charging letter as required by and in the manner set forth in Section 766.6 of the Regulations, Jin is in default.

Pursuant to the default procedures set forth in Section 766.7 of the Regulations: I therefore find the facts to be as alleged in the charging letter, and hereby determine that Jin committed one violation of Section 787.4, one violation of Section 787.6, four violations of Section 787A.4, and four violations of Section 787A.6 of the former Regulations, and 12 violations of Section 764.2(a) and 12 violations of Section 764.2(e) of the Regulations: for a total of 34 violations.

Section 764.3 of the Regulations establishes the sanctions available to BXA for the violations charged in this default proceeding. The applicable sanctions as set forth in the Regulations are a civil monetary penalty, suspension from practice before BXA, and/or a denial

of export privileges. See 15 C.F.R. § 764.3 (2001).

BXA urges that I recommend to the Under Secretary for Export Administration³ that Jin be denied all U.S. export privileges for a period of 25 years for the following reasons.

First, BXA believes that Jin has left the United States. Jin has not responded to the allegations set forth in the charging letter issued, and Jin has not demonstrated any intention of ever resolving this matter, either through the hearing process or through settlement. In light of these circumstances, the denial of all of Jin's export privileges is the appropriate sanction, because it is unlikely that Jin would ever pay a civil monetary penalty or that BXA would ever collect a civil monetary if one were imposed.

Second, an appropriate sanction should be tailored to the severity of the violation. Jin, for a period of five \-ears, exported commodities from the United States to the People's Republic of China without the required BXA licenses. Jin exported the commodities with full knowledge that licenses were required but he did not obtain the licenses. Given the fact that Jin is charged with multiple violations of the Regulations over a course of several years: a 25 year denial is warranted.

³ Pursuant to Section 13(c)(1) of the Act and Section 766.17(b)(2) of the Regulations, in export control enforcement cases the Administrative Law Judge issues a recommended decision which is reviewed by the Under Secretary for Export Administration who issues the final decision for the agency.

6

Given the foregoing, I concur with BXA, and recommend that the Under Secretary for Export Administration enter an Order against Jin denying his export privileges for a period of 25 years.⁴

Accordingly, I am referring my recommended decision and order to the Cnder Secretary for review and final action for the agency, without further notice to the respondent, as provided in Section 766.7 of the Regulations.

Within 30 days after receipt of this recommended decision and order, the Under Secretary shall issue a written order affirming, modifying or vacating the recommended decision and order. See 15 C.F.R § 766.22(c) (2001).

Dated: June 25, 2001

Administrative Law Judge

⁴ Denial orders can be either "standard" or "non-standard." A standard order denying export privileges is appropriate in this case. The terms of a standard denial order are set forth in Supplement No. 1 to Part 764 of the interim rule.

UNITED STATES DEPARTMENT OF COMMERCE BUREAU OF EXPORT ADMINISTRATION WASHINGTON, D.C. 20230

MARK JIN, ALSO KNOWN AS ZHONGDA JIN))
INDIVIDUALLY AND)
FJ TECHNOLOGY) Docket No. 01 -BXA-03
1895 Dobbin Drive)
Suite B)
San Jose, California 95 133)
Respondent)

DECISION AND ORDER

On June 25, 2001, the Administrative Law Judge (hereinafter "ALJ") issued a Recommended Decision and Order in the above-captioned matter. The Recommended Decision and Order, a copy of which is attached hereto and made a part hereof, has been referred to me for final action. The Recommended Decision and Order sets forth the procedural history of the case, the facts of the case, and the detailed findings of fact and conclusions of law. The findings of fact and conclusions of law concern whether Mark Jin, also known as Zhongda Jin, individually, and FJ Technology Service, Inc., also kriown as FJ Technology (hereinafter collectively referred to as "Jin"), committed 34 violations of the former and current Export Administration

Regulations (hereinafter "Regulations")' issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. app. § 2401-2420 (1991 & Supp. 2000)) (hereinafter the "Act"),² and a recommended penalty for those violations.

Based on the allegations in the charging letter, the Recommended Decision and Order found that Jin had committed one violation of Section 787.4, one violation of Section 787.6, four violations of Section 787A.4, and four violations of Section 787A.6 of the former Regulations; and twelve violations of Section 764.2(a) and twelve violations of Section 764.2(e) of the Regulations (for a total of 34 violations). These violations resulted from shipping arsine, phosphine, trimethylgallium, trimethylaluminum, and trimethylindium to China on seventeen occasions between March 1996 and January 2000 without obtaining the export licenses that Jin knew or had reason to know were required for such exports under both the former and current

¹ The violations at issue occurred between 1996 and 2000. The Regulations governing the violations are found in the 1996, 1997, 1998, 1999, and 2000 versions of the Code of Federal Regulations (15 C.F.R. Parts 768-799 (1996), as amended (61 Fed. Reg. 12,714, March 25, 1996) (hereinafter the "former Regulations") and 15 C.F.R. parts 730-774 (1997, 1998, 1999, and 2000)). The March 25, 1996 Federal Register publication redesignated, but did not republish, the then-existing regulations as 15 C.F.R. parts 768A-799A. In addition, the March 25 Federal Register published the restructured and reorganized Regulations, designating them as an interim rule at 15 C.F.R. parts 730-774, effective April 24, 1996. Compliance with either the former Regulations or the Regulations was permitted until November 1, 1996, at which time the removal of the former Regulations became effective. Both the former Regulations and the Regulations define the various violations that BXA alleges occurred in this matter. The Regulations establish the proceedings that apply to this matter.

² The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 9 17 (1995)), which had been extended by successive Presidential Notices, the most recent being that of August 3, 2000 (65 *Fed. Reg.* 48,347, August 8, 2000), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 2000)) until November 13, 2000 when the Act was reauthorized. See Pub. L. No. 106-508.

Regulations. Based on these violations, the ALJ recommended that Jin's export privileges be denied for a period of 25 years.

Based on my review of the record and pursuant to Section 766.22(c) of the Regulations, I am affirming the June 25, 2001 Recommended Decision and Order finding that Jin committed 34 violations of the former and current Regulations. I also am imposing as a penalty for these knowing and continual violations the 25-year denial of Jin's export privileges that was recommended by the ALJ.

ACCORDINGLY, IT IS THEREFORE ORDERED,

FIRST, that, for a period of 25 years from the date of this Order, Mark Jin, also known as Zhongda Jin, individually, and FJ Technology Service, Inc., also known as FJ Technology, 1895

Dobbin Drive, Suite B, San Jose: California 95 133 (hereinafter collectively referred to as "Jin"), may not directly or indirectly participate in any way in any transaction involving any commodity, software, or technology (hereinafter collectively referred to as "item") exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations, including, but not limited to:

- A. Applying for, obtaining, or using any license, License Exception, or export control document;
- B. Carrying on negotiations concerning, or ordering, buying, receiving, using, selling, delivering, storing, disposing of, forwarding, transporting, financing, or otherwise servicing in any way, any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations; or

C. Benefiting in any way from any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations.

SECOND, that no person may, directly or indirectly, do any of the following:

- A. Export or reexport to or on behalf of Jin any item subject to the Regulations;
- B. Take any action that facilitates the acquisition or attempted acquisition by Jin of the ownership, possession, or control of any item subject to the Regulations that has been or will be exported from the united States, including financing or other support activities related to a transaction whereby Jin acquires or attempts to acquire such ownership, possession, or control;
- C. Take any action to acquire from or to facilitate the acquisition or attempted acquisition from Jin of any item subject to the Regulations that has been exported from the United States;
- D. Obtain from Jin in the United States any item subject to the Regulations with knowledge or reason to know that the item will be, or is intended to be, exported from the United States; or
- E. Engage in any transaction to service any item subject to the Regulations that has been or will be exported from the Unirsd States and that is owned, possessed, or controlled by Jin, or service any item: of whatever origin, that is owned, possessed, or controlled by Jin if such service involves the use of any item subject to the Regulations that has been or will be exported from the United States. For

purposes of this paragraph, servicing means installation, maintenance, repair, modification, or testing.

THIRD, that, after notice and opportunity for comment as provided in Section 766.23 of the Regulations, any person, firm, corporation, or business organization related to Jin by affiliation, ownership, control, or position of responsibility in the conduct of trade or related services may also be subject to the provisions of this Order.

FOURTH, that this Order does not prohibit any export, reexport, or other transaction subject to the Regulations where the only items involved that are subject to the Regulations are the foreign-produced direct product of U.S.-origin technology.

FIFTH, that a copy of this Order shall be served on Jin and on BXA, and shall be published in the *Federal Register*.

This Order, which constitutes the final agency action in this matter, is effective immediately.

Kenneth I. Juster

Under Secretary of Commerce for Export Administration

Dated: $\frac{7/31/01}{}$